



Commonwealth of Virginia
Virginia Information Technologies Agency

MICROSOFT SELECT ENTERPRISE AGREEMENT - STATE AND LOCAL

Optional Use Contract

Date: May 16, 2005

Contract #: VA-020409-MSE

Authorized User: State Agencies and Public Bodies

Contractor: Microsoft
One Microsoft Way
Redmond, WA 98052-6399

FIN: 91-1144442

Contact Person: See page 2 for appropriate representative for State & Local Government and their contact information.

Term: May 5, 2005 – July 6, 2008

Payment: Net 30 days

For Additional Contract Information, Please Contact:

Virginia Information Technologies Agency
Supply Chain Management

George Goodman
Senior Technical Sourcing Consultant
Phone: 804-371-5990
E-Mail: george.goodman@vita.virginia.gov
Fax: 804-371-5969

Doug Crenshaw
Senior Technical Sourcing Consultant
Phone: 804-371-5993
E-Mail: doug.crenshaw@vita.virginia.gov
Fax: 804-371-5969

NOTES: Individual Commonwealth of Virginia employees are not authorized to purchase equipment or services for their personal use from this Contract.

For updates, please visit our Website at <http://www.vita.virginia.gov/procurement/contracts.cfm>

VIRGINIA INFORMATION TECHNOLOGIES AGENCY (VITA): Prior review and approval by VITA for purchases in excess of \$100,000.00 is required for State Agencies and Institutions only.

CONTRACT #VA-020409-MSE
CONTRACT CHANGE LOG

[illegible]

CONTACTS:

Microsoft VA Account Executive:
(Government)

Beth DeHaven
VOICE: (804) 560-1118
CELL: (804) 337-3262 CELL
EMAIL: bdehaven@microsoft.com

Microsoft East Region Local Government
Account Representative (Cities, Towns,
Counties)

Lisa Roddy
VOICE MAIL: (908) 286 - 4533
CELL: (347) 351-5049
EMAIL: lisarod@microsoft.com

Microsoft Inside Account Representative
(Estimated Retail Price Lists, Product info)

Rachel Pizarro
(800) 426-9400 x11667 OFFICE/VOICE
rachelp@microsoft.com

Microsoft Volume License Site (MVLS)
(License history)

<https://www.licensing.microsoft.com>

Select Online User Guide

<http://www.selectug.mslicense.com>

MS Customer Service Center
(Key codes)

800-352-7140

Microsoft Product Use Rights/Product List

<http://www.microsoft.com/licensing>

NOTE: Microsoft does not sell Select software products except through Large Account Resellers (LARs). To place orders for Microsoft Products, see Contract #VA-020409-DELL. Dell Marketing L.P. is the Large Account Reseller (LAR) for Microsoft products.

Dell Select State and Local Government
Contract Administrator:

Melinda Galindo
VOICE: (800) 981-3355 x45681
FAX: (800) 433-9527
Email: Melinda_Galindo@dell.com

Dell Enterprise – State and Local
Software Pre-Sales Specialist
(Enterprise Agreement pricing)

Fritzi Mulkey
VOICE: (512) 723 – 4848
FAX: (512) 283 – 9287
Email: fritzi_mulkey@dell.com

Microsoft State and Local Government

Enterprise **Agreement – Amendment 002**

Enterprise Agreement number
Microsoft affiliate to complete

01E60387

Microsoft Proposal ID

CTM
000-dmills-s-0271

This amends the Microsoft State and Local Government Enterprise Agreement identified above between the **Commonwealth of Virginia, acting by and through the Virginia Information Technology Agency** and Microsoft Licensing, GP. Any terms that are used but not defined in this amendment will have the same meanings as in the agreement.

I. Amendment.

1. Section 11a is hereby amended and restated as follows:

Term. Provided that it has been executed by both you and us, this agreement will remain in effect for **38** full calendar months following the effective date unless it is terminated by either party as described below. Each enrollment will have the term provided in that enrollment. *The parties acknowledge that such 38-month term represents a 2-month extension beyond the original term hereof, in order to provide affiliates with the ability to enroll while the parties negotiate in good faith the terms and conditions regarding a longer extension. Notwithstanding anything to the contrary in this agreement, the reference prices that shall apply during the 2-month extension period established hereby shall be the same as those which applied as of the 36th month of the original term hereof.*

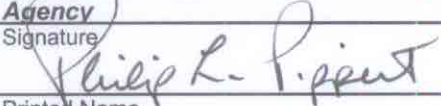
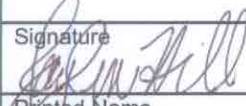
II. Effect of Amendment.

Except as specifically amended by this amendment, all provisions of the enrollment shall remain unchanged and in full force and effect. You must execute and return 2 copies of this amendment to the address below on or before May 13, 2005 in order for the terms and conditions of this amendment to be considered by Microsoft Licensing, GP.



This amendment is not legally binding until executed by Microsoft Licensing, GP and shall become effective retroactively as of May 1, 2005. When this amendment is fully executed, you will receive a confirming copy.

Microsoft Licensing, GP
Attn: Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137

Customer	Contracting Microsoft Affiliate
Name Commonwealth of Virginia, acting by and through the Virginia Information Technology Agency	Microsoft Licensing, GP
Signature 	Signature 
Printed Name PHILIP L. PIPPERT	Printed Name Joylene Hill
Printed Title ASSOC. DIRECTOR, SCM	Printed Title Contract Administrator
Signature Date April 29, 2005	Effective Date of amendment May 1, 2005

VA-020409-MSE

Prepared by: David Mills

Microsoft®

Licensing, GP

MICROSOFT LICENSING, GP
Dept. 551-Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137
United States of America

Phone: (775) 823-5600
Fax: (775) 826-9383

May 6, 2005

Program:	Enterprise 6.1
Master Number:	01E60387
Master Effective:	4/19/2002

The Commonwealth of Virginia, Department of Information Technology
411 East Franklin Street, Suite 500
Richmond, VA 23219

Dear Philip Pippert,

Thank you for choosing Microsoft Enterprise. Your Microsoft Enterprise Agreement, **01E60387**, has been **amended due to a change in terms and conditions**. This amendment was effective on 05/06/2005.

We would like to remind you that your Enterprise Master and Enrollment Agreement is subject to the terms and conditions of the Microsoft Business Agreement.

If you have any questions, please contact your local Large Account Reseller.

Sincerely,

MICROSOFT LICENSING, GP Worldwide Volume Licensing Operations

AMENDMENT ONE TO THE MICROSOFT ENTERPRISE AGREEMENT

This amendment ("Amendment") is made and entered into by and between the undersigned for the purpose of amending that certain Microsoft State and Local Government Enterprise Agreement ("Agreement") identified above between **Commonwealth of Virginia, through its Department of Information Technology** and MSLI, GP. All terms used but not defined in this Amendment will have the meanings assigned to such terms in the Agreement, as amended.

I. Modifications to the Agreement.

1. Subsection 9(c) of the Agreement is hereby amended and restated in its entirety as follows:

Re-imaging rights. If an enrolled affiliate or any affiliate included within its enterprise has licensed products from an original equipment manufacturer (OEM), through a retail source or under any Microsoft program other than this Enterprise Agreement program, it may use copies made from the media provided under the enrolled affiliate's enrollment in place of any copies made from the media provided through that separate source, so long as it complies with the following restrictions.

- (i) The enrolled affiliate must have obtained a separate license from the separate source for each copy being replaced.
- (ii) The product, language, version and all components (in the case of product suites, such as Office) of the copies made from the media provided under an enrollment must be identical to the product, language, version and all components of the copies they replace.
- (iii) In the case of copies licensed from an original equipment manufacturer (OEM) or through a retail source, in addition to the other conditions outlined in this subsection 9(c), the product type (e.g. upgrade or full license) of the copies made from the media provided under an enrollment must be identical to the product type of the copies they replace. However, an enrolled affiliate may use copies of a desktop operating system made from the media provided under its enrollment in place of copies of the same desktop operating system (*or prior version of such operating system, provided that such prior version must be permitted to be run pursuant to the terms and conditions of the OEM license*) obtained from a separate source, even though they may be of different types (i.e. one may be an upgrade and the other a full license), provided that the product, language and version are *permitted to be run pursuant to the OEM license*.

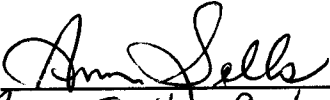

The use of any copies made under this subsection 9(c) is subject to the terms and use rights provided with the copies being replaced, and nothing in this section creates or extends any warranty or support obligation.

II. Effect of Amendment.

Except as specifically amended by this Amendment, all provisions of the Agreement identified above shall remain unchanged and in full force and effect. This Amendment is not legally binding until executed by both parties and shall become effective on the date of signature of the Commonwealth of Virginia, through its Department of Information Technology.. When this amendment is fully executed, you will receive a confirming copy.

You must execute and return two (2) copies of this Amendment to the address below in order for the terms and conditions of this Amendment to apply.

MSLI, GP
Attn: Dept. 551, Volume Licensing
6100 Neil Road, Suite 210
Reno, NV 89511-1137

Customer: Commonwealth of Virginia, through its Department of Information Technology	Contracting Microsoft Affiliate: MSLI, GP
Name of Customer	Name of contracting Microsoft affiliate
By <u></u>	By <u></u>
Name, Title <u>Ann Sells, Contracts Engineer</u>	Name, Title <u>Kim Akins Contract Administrator</u>
Date <u>8/19/02</u>	Date <u>8/16/02</u>

Prepared by: David Mills
Licensing Executive,
Microsoft Corporation
Agent for MSLI, GP

Microsoft Enterprise **Agreement** – State and Local

CUSTOM

(NOT FOR USE WITH MICROSOFT BUSINESS AGREEMENT)

Enterprise Agreement number
Microsoft affiliate to complete

01E60387

This Microsoft Enterprise Agreement is entered into between the following entities as of the effective date identified below. Each party will notify the other in writing if any of the information in the following table changes.

Customer			
Name of Entity	The Commonwealth of Virginia, Department of Information Technology		Contact Name Ann Sells (This person handles access to online information. This person also receives notices unless a different contact for notices is provided in the notices section below.)
Street Address	110 South 7th Street		Contact E-mail Address asells@dit.state.va.us
City	Richmond	State/Province VA	Phone (804) 371-5988
Country	USA	Postal Code 23219	Fax (804) 371-5969
			Microsoft Account Manager Name Beth Dehaven
Contracting Microsoft Affiliate			
MSLI, GP - 6100 Neil Road, Suite 210 - Reno, Nevada USA 89511-1137 - Dept. 551, Volume Licensing			

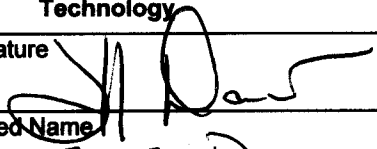
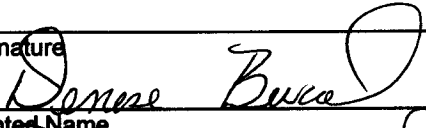
If notices should be sent to someone or some place other than above, complete the relevant portions below:

Name of Entity	Contact Name		
Street address	Contact E-mail Address		
City	State/Province	Phone	
Country	Postal Code	Fax	
Notices to Microsoft should be sent to: MSLI, GP 6100 Neil Road, Suite 210 Reno, Nevada USA 89511-1137 Dept. 551, Volume Licensing		Copies should be sent to: Microsoft Law and Corporate Affairs One Microsoft Way Redmond, WA 98052 USA Volume Licensing Group VLG-USA@Microsoft.com (425) 936-7329 fax	

This agreement consists of (1) this cover page, (2) the attached terms and conditions, (3) the Product List, (4) the product use rights applicable to products licensed under this agreement, and (5) any enrollment entered into under this agreement.

Effective date. This agreement is not legally binding until executed by both parties and shall become effective on the date of signature of the Commonwealth of Virginia, through the Department of Information Technology. Each enrollment executed hereunder shall not be legally binding until executed by each party thereto and shall become effective on the date of the signature of the applicable enrolling affiliate.

By signing below, the parties agree to be bound by the terms of this agreement, and you represent that the information you have provided on this cover page is accurate.

Customer	Contracting Microsoft affiliate
Name of Entity The Commonwealth of Virginia, Department of Information Technology	MSLI, GP
Signature 	Signature 
Printed Name Jeff Davis	Printed Name Denise Bevard
Printed Title Contracts Manager	Printed Title Contract Administrator
Signature Date 4-12-02	Signature Date (date Microsoft affiliate countersigns) 4/8/02
	Effective Date (may be different than our signature date)

Terms and Conditions

1. Definitions.

In this agreement, "you" means the entity that has entered into this agreement with us, *which is the Commonwealth of Virginia, through its Department of Information Technology*, and "we" or "us" means the Microsoft entity that has entered into this agreement or an enrollment. In addition, the following definitions apply:

"additional product" means any product other than an enterprise product that an enrolled affiliate chooses to license under its enrollment;

"affiliate" means (a) with regard to you, any government agency, department, instrumentality, division, unit or other office that is supervised by or is part of you, or which supervises you or of which you are a part; together with, as mandated by law, any county, borough, commonwealth, city, municipality, town, township, special purpose district, or other similar type of governmental instrumentality located within your jurisdiction and geographic boundaries, provided that a state and its affiliates shall not, for purposes of this definition, be considered to be affiliates of the federal government and its affiliates; and (b) with regard to us, any legal entity that we own, that owns us, or that is under common ownership with us;

"Aggregate CAL Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which any combination of the following products has been chosen as an enterprise product as of the Open Enrollment Deadline: (i) Microsoft BackOffice Client Access License ("BackOffice CAL"); or (ii) Microsoft Core Client Access License ("Core CAL");

"Aggregate Desktop Count" means the Aggregate CAL Desktop Count, Aggregate Office Desktop Count, and/or Aggregate Windows Desktop Count, as applicable;

"Aggregate Office Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which either (i) Microsoft Office Standard Edition ("Office Standard") or (ii) Microsoft Office Professional Edition ("Office Professional") has been chosen as an enterprise product as of the Open Enrollment Deadline;

"Aggregate Windows Desktop Count" means the aggregate number of qualified desktops under Enterprise Enrollments associated herewith for which the Microsoft Windows Professional desktop operating system has been chosen as an enterprise product as of the Open Enrollment Deadline;

"available" means, with respect to a product, that we have made licenses for that product available for ordering under the Enterprise Agreement program;

"CAL Family" means any of the following enterprise products: (i) BackOffice CAL; and/or (ii) Core CAL;

"enrolled affiliate" means an entity, either you, one of your affiliates, or any outsourcer, that has entered into an enrollment under this agreement;

"enrollment" means the document that you or your affiliate submits under this agreement to sign up for the Enterprise Agreement program and make an initial selection of products;

"enrollment agreement Number" means the number(s) we assign to each enrollment hereunder.

"enterprise" means the enrolled affiliate, *unless such enrolled affiliate is an outsourcer*, and the affiliates the enrolled affiliate chooses on its enrollment to include in its enterprise;

"Enterprise Agreement Number" means the number we assign to this Enterprise Agreement.

"enterprise product" means any product that we designate as an enterprise product and that an enrolled affiliate chooses to license under its enrollment (enterprise products may only be licensed on an enterprise-wide basis under the Enterprise Agreement program);

"Initial Desktop" means, with respect to any Enterprise Enrollment, the number of qualified desktops enrolled under such Enrollment as of its effective date;

"License" means any one of those offerings identified in the Product List (including standard licenses, and upgrades for desktop operating systems) that provides the right to run the version of the product for which it is ordered;

"L&SA" means a License and Software Assurance for any product ordered;

"Microsoft BackOffice Client Access License" and "BackOffice CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SQL CAL; and (iv) SMS CAL;

"Microsoft Core Client Access License" and "Core CAL" means each of the following Client Access Licenses, when purchased together as a suite: (i) Windows CAL; (ii) Exchange CAL; (iii) SharePoint CAL; and (iv) SMS CAL;

"Non-Platform Enrollment" means any Enterprise Enrollment associated herewith which is not a Platform Enrollment;

"Office Family" means either of the following enterprise products: (i) Office Professional; or (ii) Office Standard;

"Open Enrollment Deadline" means the last day of the 11th full calendar month following the effective date;

"Open Enrollment Period" means the period which begins on the effective date, and which ends on the Open Enrollment Deadline;

"order" means an order on a form that is acceptable to the reseller;

"outsourcer" is an entity which is party to an Outsourcer Enterprise Enrollment hereunder, which such party you or an affiliate have engaged either to (i) finance and/or manage the acquisition of certain technology related assets; and/or (ii) manage information technology operations;

"Participating Affiliate" means and eligible affiliate which executes an Enterprise Enrollment during the Open Enrollment Period;

"Platform Enrollment" means any Enterprise Enrollment associated herewith for which each of the following is a chosen enterprise product:

- (I) either (i) Office Standard or (ii) Office Professional; and*
- (II) Microsoft Windows Professional desktop operating system; and*
- (III) either (iii) BackOffice CAL or (iv) Core CAL*

"Post-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed after the Open Enrollment Deadline, shall be determined as set forth in Section 18(v);

"Pre-Deadline Volume Level" means, with respect to a particular Product Family, the price level by which the reference prices for enterprise products in such Product Family, for Enterprise Enrollments executed during the Open Enrollment Period, shall be determined as set forth in Section 18(v);

"product" means any product available to your enrolled affiliates for license as described on the Product List;

"Product Family" means any of the following collections of enterprise products, as defined in Section 18(v): (i) Office Family; (ii) Windows Family; and/or (iii) CAL Family;

"Product List" means, with respect to any licensing program, the statement published by Microsoft from time to time that identifies the products that are or may be made available under each of the volume licensing programs, and identifies which products are available to Enterprise Agreement program customers and any product-specific conditions or limitations on the acquisition of licenses for those products;

"qualified desktop" means any personal desktop computer, portable computer, workstation or similar device that is used by or for the benefit of an enrolled affiliate or any affiliate included in its enterprise and that meets the minimum requirements for running any of the enterprise products. Qualified desktops do not include: (i) any computer that is designated as a server and not used as a personal computer, (ii) any system dedicated to run ONLY line-of-business software (e.g., an accounting or bookkeeping program used by an accountant, or a computer-aided design program used by an engineer or architect); or (iii) any system running an embedded operating system (e.g. Windows 9.x for embedded, Windows XP embedded);

"renewal order" means the order that an enrolled affiliate submits at the beginning of any renewal term to renew Software Assurance coverage for products previously ordered under its enrollment;

"reseller" means a large account reseller authorized by us to resell licenses in an enrolled affiliate's area under the Enterprise Agreement program;

"run" or "use" means to copy, install, use, access, display, run or otherwise interact with;

"Software Assurance" means, for any underlying licensed product for which it is ordered, the right to upgrade to, and run, the latest version of that product that we make available during the covered period; and

"Windows Family" means the following enterprise product" Microsoft Windows Professional desktop operating system.

2. How the Enterprise Agreement program works.

The Enterprise Agreement program gives customers that wish to license one or more of Microsoft's platform products across their enterprise the means to ensure that their entire enterprise will be licensed. You and your affiliates, *or outsourcers on behalf of you or your affiliates*, can participate in this program by submitting one or more enrollments under this agreement. On the enrollment, the enrolled affiliate will designate the scope of its enterprise and make the initial selection of enterprise products and any additional products it wishes to license. Each enrollment must include at least one of those products that we make available to license as an enterprise product. We may reasonably refuse to accept an enrollment.

We will assign an Enterprise Agreement Number and notify you of such number upon execution of this Enterprise Agreement, and will assign separate Enrollment Agreement Numbers and notify the applicable enrolled affiliate after the execution of each enrollment. Each enrolled affiliate, including outsourcers who are deemed to be enrolled affiliates pursuant to Microsoft State and Local Government Enterprise Outsourcer Enrollments hereto, shall be responsible for compliance with the terms of this agreement and the compliance of the enrolled affiliate's respective sublicenses, only with respect to the enrolled affiliate(s) enrollment. However, neither you nor any affiliate shall be responsible for compliance with any enrollments to which you or such affiliate is not a party or under which you or such affiliate does not participate. Notwithstanding the foregoing, outsourcers shall be solely responsible for both their own compliance, and the compliance of the participating affiliates for which they perform work, with respect to an Outsourcer Enrollment.

- a. Establishing price levels.** Each product is assigned to one of the following pools: applications, systems or servers. An enrolled affiliate's reference prices are based on the "price level" for which it qualifies in each individual product pool. *During the first 36 full calendar months following the effective date hereof, price levels are established pursuant to the terms and conditions of subsection 18(v) below. After such 36-month period, provided both that (i) this agreement is extended beyond that term as provided herein, and (ii) the parties have not otherwise by that time agreed upon statewide pricing for such extended term, price levels will be established separately for each enrollment as described in this subsection.*

Product pools from which an enterprise product has been ordered. For each product pool from which an enrolled affiliate orders an enterprise product, the price level throughout the initial term of the enrollment for any enterprise products or additional products ordered from that pool

will be the price level for which the enrolled affiliate qualifies based *either on the terms and conditions of subsection 18(v) during the first 36 full calendar months following the effective date hereof, or thereafter (if this agreement is extended)* on its initial number of qualified desktops (the enrolled affiliate will be provided with a table in its enrollment to determine its initial price level).

Renewal price levels. *For renewal enterprise agreements signed during the first 36 full calendar months following the effective date, price levels for pools for which an enterprise product has been ordered will be determined by the terms and conditions of subsection 18(v). Thereafter, provided both that (i) this agreement is extended beyond that term as provided herein, and (ii) the parties have not otherwise by that time agreed upon statewide pricing for such extended term, price levels for pools from which an enterprise product has been ordered will be reset for each renewal term based upon the enrolled affiliate's total number of qualified desktops as of the date of the renewal order for that renewal term.*

b. Deriving prices from price levels. The enrolled affiliate's reference prices are determined as follows.

For products covered by the initial order. For each product covered by an enrolled affiliate's initial order, the enrolled affiliate's reference price for all copies of that product made at any time during the initial enrollment term (including copies ordered by true up as described in subsections 3(c) (Placing annual "true up" orders to account for additional desktops) and 4(c) (Placing annual "true up" orders to account for additional copies)) will be provided in the enrollment and will not change throughout the initial enrollment term.

For additional products added after the initial order. For each new additional product first added after signing of the enrollment, the enrolled affiliate's reference price for all copies of that product made at any time during the initial enrollment term (including copies ordered by true up) will be that price (including the true up price) in effect for the enrolled affiliate's price level for that product as of the date of its first order for that product.

For products renewed in a renewal order. Prices are re-established at the beginning of each renewal term. For each enterprise product and each additional product being renewed, the enrolled affiliate's renewal price for all copies of that product made during the renewal term (including copies ordered by true up) will be the price (including the true up price) in effect for the enrolled affiliate's renewal price level for that product as of the date of the renewal order.

For additional products added during a renewal term. For each new additional product first added during a renewal term, the enrolled affiliate's reference price for all copies of that product made at any time during that particular renewal term (including copies ordered by true up) will be the price (including the true up price) in effect for the enrolled affiliate's renewal price level in effect for that product as of the date of the enrolled affiliate's first order for that product.

How your enrolled affiliates acquire licenses. An enrolled affiliate will acquire its licenses by executing an enrollment under which it acquires its licenses through its chosen reseller. Orders under an enrollment will be made out to and submitted to the enrolled affiliate's reseller. We will invoice that reseller according to the terms in the applicable enrollment. While such enrollment will contain reference prices, the reseller and the enrolled affiliate will determine the enrolled affiliate's actual price and payment terms. *Nothing in this agreement shall be construed to require that any entity, other than the entity which is identified in the "bill-to" section on a purchase order to the applicable reseller, shall be responsible for payment to its reseller pursuant to such purchase order.*

c. Choosing and maintaining a reseller.

Resellers. Each enrolled affiliate that signs an enrollment must choose and maintain a reseller in the enrolled affiliate's area. Resellers are authorized to resell our product licenses, but act independently and have no authority to bind us.

Change of reseller. If an entity ceases to be a reseller, the enrolled affiliate must choose a replacement. *We will notify you in writing if we discontinue the reseller's authority to resell licenses under this program.* To change its reseller, an enrolled affiliate must notify us and the former reseller in writing, on a form that we provide, at least 30 days prior to the date on which the change is to take effect (the "reseller change date"). *All payments billable prior to such reseller change date shall be paid to the former reseller. For example, if less than 30 days notice of intent to change reseller is given prior to an anniversary of an enrollment, then such anniversary's annual payment shall be paid to the former reseller.* In the case of a change of reseller, each enrolled affiliate is responsible for ensuring that all its obligations to the former reseller are met.

- d. Reporting country of use.** You represent that all licenses ordered hereunder will be used in the United States.

3. How to order enterprise product licenses.

- a. Placing the initial order.** Each enrolled affiliate must submit an initial order for the enterprise products it selects on its enrollment. Except as provided in the following paragraph, the order must be for L&SA for all enterprise products.

When is the enrolled affiliate eligible to order only Software Assurance for an enterprise product? An enrolled affiliate may submit a renewal order for Software Assurance for the enterprise products it selects without the need to simultaneously order a License if the enrolled affiliate or any of the affiliates in its enterprise have obtained perpetual licenses for that product on an enterprise-wide basis under a previous "Enterprise Enrollment" (defined below), and the renewal order is submitted no later than 30 days after the previous enrollment term expired, pursuant to the terms and conditions of Section 11(e) below. The Software Assurance order must be for the number of qualified desktops covered as of the expiration of that "Enterprise Enrollment." For all other qualified desktops included in an enrollment submitted under this agreement, the enrolled affiliate must order L&SA.

The term "Enterprise Enrollment," as used in this section 3, means (i) a Microsoft Enterprise Select Agreement; (ii) an enterprise enrollment under a separate Microsoft Select Master Agreement or Microsoft Enterprise Agreement; (iii) any enterprise subscription enrollment entered into under a separate Microsoft Enterprise Subscription Agreement; or (iv) any other enrollment submitted under the Microsoft Enterprise Agreement identified on the cover page.

- b. Adding new enterprise products.** An enrolled affiliate may only add new enterprise products by entering into a new enrollment.
- c. Placing annual "true up" orders to account for additional desktops.** Each enrolled affiliate must determine the current number of qualified desktops in its enterprise: (i) at each anniversary of the effective date of its enrollment (including anniversaries during any renewal); and, (ii) at the expiration or early termination of its enrollment.
- **If the desktop count has increased.** If the number of qualified desktops has increased, the enrolled affiliate must submit an order for L&SA covering those additional desktops. The enrolled affiliate must place the order within 15 days following the anniversary of the enrollment effective date, expiration or termination.
 - **If the desktop count has not increased.** If the number has not increased, the enrolled affiliate must submit an update statement confirming this fact on the form we provide within that 15-day period.
- d. Reorganizations, Consolidations, and Privatizations.** If the number of qualified desktops in an enterprise changes by more than ten percent as a result of an reorganization, consolidation, or privatization, we will work with the enrolled affiliate in good faith to determine how to accommodate its changed circumstances in the context of this agreement. If an enrolled affiliate consolidates with a customer with an existing "Enterprise Enrollment," we will work with

the enrolled affiliate in good faith to accommodate its changed circumstances in the context of this agreement.

4. How to order additional product licenses.

- a. Placing the initial order.** Each enrolled affiliate must submit an initial order for the additional products it has selected, if any, on its enrollment. Except as provided in the following paragraph, the order must be for L&SA for all copies of those additional products.

When is the enrolled affiliate eligible to order only Software Assurance for an additional product? An enrolled affiliate may order Software Assurance for additional products it selects without the need to simultaneously order a License if the enrolled affiliate or any of the affiliates it includes in its enterprise has obtained perpetual licenses for those products with Upgrade Advantage, Software Assurance or any similar upgrade protection, and the new enrollment becomes effective no later than one day following the expiration of that upgrade protection. The order may be for up to the number of copies covered by such upgrade protection. An enrolled affiliate may also order Software Assurance alone in any other circumstances expressly permitted in the Product List. For all other copies included in an enrollment submitted under this agreement, the enrolled affiliate must order L&SA.

- b. Adding new additional products not previously ordered.** Each enrolled affiliate may, during the remainder of the applicable initial enrollment or renewal term, run new additional products under its enrollment that were not part of the initial order. To do so, the enrolled affiliate must order L&SA in the month in which the product is first run, covering all copies of that product run as of the date of the order. For any additional copies of that product run after the date of that order, the enrolled affiliate must submit orders as described in subsection 4(c) (Placing annual “true up” orders to account for additional copies) below.
- c. Placing annual “true up” orders to account for additional copies.** Each enrolled affiliate may, during the remainder of the applicable initial enrollment or renewal term, run additional copies of those additional products it previously ordered under subsections (a) and (b), provided that the enrolled affiliate places a true up order for L&SA for those additional copies. The enrolled affiliate must submit an order within 15 days after the next anniversary of the effective date of the enrollment (including anniversaries occurring during any renewal) following the date on which those copies were first run. For additional copies first run in the year in which an enrollment expires or is terminated, the enrolled affiliate must submit an order within 15 days following the expiration or termination date.
- d. Update statements.** Each enrolled affiliate must submit an update statement within 15 days following each anniversary of the effective date of its enrollment, and after expiration or termination of its enrollment, on a form we provide, unless that enrolled affiliate (i) is running only enterprise products under its enrollment, and (ii) it is not otherwise required to submit an update statement under subsection 3(c) (Placing “true up” orders to account for additional desktops) above.

5. How to confirm orders.

We will publish information about orders placed by each enrolled affiliate, including an electronic confirmation of each order, on a secure site on the World Wide Web at <http://licensing.microsoft.com> or a successor site that we identify *in writing*.

6. License grant – what your enrolled affiliates are licensed to run.

Upon our acceptance of the enrollment, the enrolled affiliate has the following rights during the term of its enrollment.

- **For enterprise products.** The enrolled affiliate may run one copy of the latest version (or any prior version) of each enterprise product, on each qualified desktop. By including affiliates in its

enterprise, the enrolled affiliate sublicenses this right to each of them subject to the terms of this agreement.

- **For additional products.** The enrolled affiliate may run the number of copies of each additional product ordered in the latest version (or any prior version). If an affiliate included in any enrolled affiliate's enterprise runs any copies of an additional product under this agreement, those copies are sublicensed from that enrolled affiliate subject to the terms of this agreement.

The right to run any product licensed under an enrollment is temporary until:

- (i) the enrolled affiliate has paid all installments of the price for that product license and the applicable initial enrollment or renewal term during which that product license was ordered has expired or been renewed, or
- (ii) the enrolled affiliate is otherwise entitled to perpetual licenses upon early termination as provided in subsection 11(c) (Termination of an enrollment).

Thereafter, the enrolled affiliate will have perpetual licenses to run the latest version available as of such date of expiration, renewal or termination (or any prior version), of each enterprise product in a number of copies equal to the total number of qualified desktops covered by the enrollment; and each additional product in the number of copies ordered during the applicable initial enrollment term or renewal term. In the case of early termination as provided in subsection 11(c) (Termination of an enrollment), if an enrolled affiliate chooses only to pay amounts due and payable as of the termination date, then the enrolled affiliate will instead have perpetual licenses for the number of copies specified in subsection 11(d) (Effect of termination or expiration).

Any perpetual licenses received through Software Assurance supersede and replace the underlying perpetual licenses for which that Software Assurance coverage was ordered. All perpetual licenses acquired under this agreement remain subject to the terms of this agreement and the applicable product use rights.

This agreement, the applicable enrollment, the enrolled affiliate's order confirmation described in section 5 (How to confirm orders) above, and any documentation evidencing transfers of licenses as described in subsection 10(a) (How to transfer), together with proof of payment, will be the enrolled affiliate's evidence of all licenses obtained under its enrollment.

7. How to know what product use rights apply.

Except as otherwise described below, an enrolled affiliate's use of any product that it licenses from us is governed by product use rights specific to each product and version. The product use rights applicable to products licensed under each enrollment are as follows.

- a. For latest versions available as of an enrollment effective date.** For the latest version of any product available on or before the enrollment effective date, the product use rights in effect on the enrollment effective date for that product and version apply.
- b. For versions and products that become available after an enrollment effective date.** For any version of any existing product, or any new product, first made available after the enrollment effective date, the product use rights in effect on the date on which the version or product first becomes available apply (subject to our commitment on use rights below).
- c. For versions of a product that predate the latest version available as of an enrollment effective date.** If an enrolled affiliate is using a version of any product licensed under its enrollment that became available prior to the version that was current on the enrollment effective date, the enrolled affiliate's use of the earlier version will be governed by the product use rights for the latest version of such product available at the time of order.
- d. Microsoft's commitment on use rights.**

For all products – use rights fixed by version. We will not change an enrolled affiliate's product use rights under this agreement for any version of a product after it becomes available to that enrolled affiliate under its enrollment.

For enterprise products – no detrimental use right changes in new versions.

- (i) **For new versions made available during the initial enrollment term.** If we make available a new version of any enterprise product during the initial enrollment term and that new version is subject to certain use rights that are more restrictive than those that applied to a prior version under an enrollment that was or became available during the initial enrollment term, the enrolled affiliate may run that new version without being subject to those certain more restrictive use rights.
- (ii) **For new versions made available during each renewal term.** Upon each renewal of Software Assurance for an enterprise product, an enrolled affiliate's use of that product will be governed by the use rights that apply to the latest version of that product available as of the date of that renewal, including any terms that are more restrictive than those that applied to a previous version of that product licensed by that enrolled affiliate under its enrollment during the preceding term. However, if during a renewal term we make available a new version of that same enterprise product with certain use rights more restrictive than those use rights that applied to a prior version licensed under an enrollment that was or became available during that same term, the enrolled affiliate may run the new version without being subject to those certain more restrictive use rights.
- (iii) **New features or functionality.** The right described in subsections (i) and (ii) above does not apply to product use rights that relate specifically to new features or functionality added to a new version.

We will provide each enrolled affiliate with a copy of the applicable product use rights or will make them available either by publication on the World Wide Web at a site we identify *to you in writing* or by some other reasonable means. You acknowledge that you and your affiliates have access to the World Wide Web. We do not transfer any ownership rights in any licensed product, and we reserve all rights not expressly granted. In lieu of your obligation to indemnify us under various provisions of the product use rights, you will be responsible for any cost or damages arising from any claim to which your indemnity obligation would otherwise apply.

8. Software Assurance Membership.

Throughout the term of its enrollment (including any renewal), each enrolled affiliate automatically qualifies as a member of Microsoft's Software Assurance Membership program. Membership may entitle the enrolled affiliates to special benefits. For a description of these benefits, an enrolled affiliate should consult its reseller or Microsoft account manager.

9. Making copies of software.

- a. Copies necessary for internal deployment.** Each enrolled affiliate may make as many copies of the products licensed under its enrollment as necessary to distribute the products to the users within its enterprise. All copies of any product must be true and complete copies (including copyright and trademark notices) and be made from CD-ROMs, disk sets or a network source, acquired from or made available by a Microsoft approved fulfillment source for that product. Each enrolled affiliate may also have a third party make and distribute copies in its place, but the enrolled affiliate is responsible for third-party actions to the same extent it would be if the third party were its employee. *For the purposes of this Section 6, a third party is any party other than MSLI, GP or its assignee.* You and your affiliates must make reasonable efforts to make employees, agents and other individuals running a product aware that the product is licensed from us and may only be run or transferred subject to the terms of this agreement.

- b. Copies for training, evaluation and back-up.** During the term of its enrollment (including any renewal), each enrolled affiliate and any affiliate included in its enterprise may (i) run up to 20 complimentary copies of any additional product in a dedicated training facility on their premises; (ii) run up to 10 complimentary copies of any product that we make available to license as an additional product for a 60-day evaluation period; and (iii) make and retain one complimentary copy of any licensed product for back-up or archival purposes for each of their distinct geographic locations.
- c. Re-imaging rights.** If an enrolled affiliate or any affiliate included within its enterprise has licensed products from an original equipment manufacturer (OEM), through a retail source or under any Microsoft program other than this Enterprise Agreement program, it may use copies made from the media provided under the enrolled affiliate's enrollment in place of any copies made from the media provided through that separate source, so long as it complies with the following restrictions.
- (i) The enrolled affiliate must have obtained a separate license from the separate source for each copy being replaced.
 - (ii) The product, language, version and all components (in the case of product suites, such as Office) of the copies made from the media provided under an enrollment must be identical to the product, language, version and all components of the copies they replace.
 - (iii) In the case of copies licensed from an original equipment manufacturer (OEM) or through a retail source, in addition to the other conditions outlined in this subsection 9(c), the product type (e.g. upgrade or full license) of the copies made from the media provided under an enrollment must be identical to the product type of the copies they replace. However, an enrolled affiliate may use copies of a desktop operating system made from the media provided under its enrollment in place of copies of the same desktop operating system obtained from a separate source, even though they may be of different types (i.e. one may be an upgrade and the other a full license), provided that the product, language and version are identical.

The use of any copies made under this subsection 9(c) is subject to the terms and use rights provided with the copies being replaced, and nothing in this section creates or extends any warranty or support obligation.

10. Transferring licenses.

- a. How to transfer.** An enrolled affiliate may transfer perpetual licenses ordered under an enrollment to an affiliate, or to an unaffiliated third party in connection with a privatization, as long as the enrolled affiliate provides us with prior written and signed notice, on a form that we provide, that includes: (i) the applicable enrollment number; (ii) the quantity of licenses being transferred by product and version; (iii) the name, address and contact information of the transferee; and (iv) any other information that we may reasonably request.

For all other transfers of licenses, our written consent is required. We will not withhold our consent unreasonably. No license transfer will be valid unless the transferee accepts in writing the applicable product use rights, use restrictions, limitations of liability, and the transfer restrictions in this section 10. Any transfer made in violation of the requirements or restrictions of this section will be void.

- b. When transfers are not permitted.** An enrolled affiliate may not transfer (i) licenses on a short-term basis (*except as otherwise agreed upon in writing by both parties*), (ii) temporary rights to use products, (iii) Software Assurance coverage, (iv) perpetual licenses for any version of any product acquired through Software Assurance separately from the underlying perpetual licenses for which that Software Assurance coverage was ordered; or (v) upgrade licenses for a desktop operating system product separately from the underlying desktop operating system license or from the computer system on which the product is first installed.

11. Term, termination and renewal.

- a. Term.** *Provided that it has been executed by both you and us, this agreement will remain in effect for 36 full calendar months following the effective date unless it is terminated by either party as described below. Each enrollment will have the term provided in that enrollment.*
- b. Termination of this agreement.** *This agreement may either be terminated prior to the end of the 36th full calendar month following its effective date, or may be extended to expire upon a later date, provided that both parties agree in writing to such termination or expiration. If either (i) only one enrollment is executed hereunder and we terminate such enrollment for cause; or (ii) more than one enrollment is executed hereunder and we terminate two or more such enrollments for cause, then we may also terminate this agreement.*

Effect of termination. Such termination will merely terminate either party's and its affiliates' ability to enter into new enrollments under this agreement. Such termination will not affect any enrollment not otherwise terminated, and any terms of this agreement applicable to any enrollment not otherwise terminated will continue in effect with respect to that enrollment.

- c. Termination of an enrollment.** Either party to an enrollment may terminate it if the other party materially breaches its obligations under this agreement, including any obligation to submit orders or pay amounts owed (even if such non-payment is caused by non-appropriation of funds). If we terminate an enrollment, we may also terminate this agreement and all other enrollments under it. Except where the breach is by its nature not curable within 30 days, the terminating party must give the other party 30 days notice and opportunity to cure. If we give such notice to an enrolled affiliate, we will give you a copy of that notice as well. If an enrolled affiliate ceases to be your affiliate, you must promptly notify us of this fact, and we may terminate its enrollment.
- d. Effect of termination or expiration.** Upon expiration or termination of any enrollment, the enrolled affiliate must order licenses for all copies of products it or its affiliates have run under its enrollment for which the enrolled affiliate has not previously submitted an order. Except as provided in the next paragraph, in the event of termination, all unpaid installments of the purchase price for any licenses will immediately become due and payable, and the enrolled affiliate will be entitled to perpetual licenses only after all such payments have been made.

If (i) an enrolled affiliate terminates its enrollment as a result of our breach, (ii) we terminate an enrolled affiliate's enrollment because it has ceased to be your affiliate, or (iii) we terminate an enrollment for non-payment due to non-appropriation of funds, then the enrolled affiliate will have the following options. It may immediately pay the total remaining amount due, including all installments, in which case the enrolled affiliate will have perpetual licenses for all copies of the products it has ordered. As an alternative, *in the event of non-appropriation of funds, it may elect not to make those payments for which funds were not appropriated, in which case both of the following shall apply: (a) the enrolled affiliate will have perpetual licenses for (i) all copies of all products for which payment has been made in full, and (ii) the number of copies of products for which payment has been made in installments that is proportional to the amount that has been paid as of the termination date' and (b) the enrolled affiliate shall immediately cease running those copies of products for which it has not received a perpetual license.*

- e. How to renew an enrollment.** We will provide each enrolled affiliate with 60 days prior written notice of expiration of its enrollment or renewal term advising it of its renewal options. An enrolled affiliate may have the option to renew its enrollment for successive terms of 12 or 36 full calendar months. We and our affiliates will not unreasonably reject any renewal order. However, we may make a change to the Enterprise Agreement program that will make it necessary for you and your enrolled affiliates to enter into new agreements and enrollments. *If a new agreement and/or enrollment is needed for such renewal order, then the effective date of such renewal agreement and/or enrollment must be no later than one day following the expiration of the original agreement and/or enrollment, even if such agreement and/or enrollment is executed later than such effective date.*

Placing renewal orders. To renew, the enrolled affiliate must submit a renewal order within 30 days after the previous term expired. The renewal order must be for Software Assurance for (i) all enterprise products previously ordered for all qualified desktops in the enrolled affiliate's enterprise as of the date of each renewal order, and (ii) all copies of additional products for which the enrolled affiliate elects to renew Software Assurance. An enrolled affiliate may not add new enterprise products not previously ordered during the initial term as part of its renewal; to license new enterprise products it must submit a new enrollment.

Consequences of non-renewal. If the enrolled affiliate elects not to renew its enrollment or Software Assurance for any additional product under its enrollment, and it otherwise allows Software Assurance for any copies of any products licensed under its enrollment to lapse, then the enrolled affiliate will not be permitted to order Software Assurance for such copies later without first acquiring L&SA.

12. Restrictions on use.

You and your affiliates may not:

- Separate the components of a product made up of multiple components (in the case of product suites, such as Office) by running them on different computers, by upgrading or downgrading them at different times, or by transferring them separately, except as otherwise provided in the product use rights;
- Rent, lease, lend or host products to *third parties*, except where we agree by separate agreement;
- Reverse engineer, de-compile or disassemble products, except to the extent expressly permitted by applicable law despite this limitation; or
- Transfer licenses to, or sublicense, products to the U.S. Government.

Products licensed under this arrangement are of US-origin unless otherwise indicated by us. *You and your affiliates* agree to comply with all applicable international and national laws that apply to these products, including the U.S. Export Administration Regulations, as well as end-user, end-use and country destination restrictions issued by U.S. and other governments. For additional information on exporting Microsoft products, see <http://www.microsoft.com/exporting/>.

13. Confidentiality.

The terms and conditions of this agreement may be posted on the Commonwealth of Virginia's website.

14. Warranties.

- Limited product warranty.** We warrant that each version of a product will perform substantially in accordance with our user documentation. This warranty is valid for a period of 90 days from the date *you or an affiliate* first runs a copy of the version. To the maximum extent permitted by law, any warranties imposed by law concerning the products are limited to the same extent and the same 90-day period. This warranty does not apply to components of products that *you and your affiliates* are permitted to redistribute under applicable product use rights, or if failure of the product has resulted from accident, abuse or misapplication. If *you or an enrolled affiliate* notify us within the warranty period that a product does not meet this warranty, then we will, at our option, either (i) return the price paid for the product or (ii) repair or replace the product. To the maximum extent permitted by law, this is your exclusive remedy (*and your affiliates' exclusive remedy*) for any failure of any product to function as described in this subsection.
- NO OTHER WARRANTIES.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, WE DISCLAIM AND EXCLUDE ALL REPRESENTATIONS, WARRANTIES AND CONDITIONS, WHETHER EXPRESS, IMPLIED OR STATUTORY, OTHER THAN THOSE IDENTIFIED

EXPRESSLY IN THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, SATISFACTORY QUALITY, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE, WITH RESPECT TO THE PRODUCTS OR RELATED MATERIALS. WE WILL NOT BE LIABLE FOR ANY SERVICES OR PRODUCTS PROVIDED BY THIRD PARTY VENDORS, DEVELOPERS OR CONSULTANTS IDENTIFIED OR REFERRED TO YOU AND YOUR AFFILIATES BY US UNLESS SUCH THIRD-PARTY PRODUCTS OR SERVICES ARE PROVIDED UNDER WRITTEN AGREEMENT BETWEEN YOU AND US, AND THEN ONLY TO THE EXTENT EXPRESSLY PROVIDED IN SUCH AGREEMENT.

15. Defense of infringement claim.

We will defend you *and your enrolled affiliates* against any claim by an unaffiliated third party that any product infringes its patent or copyright, and will pay the amount of any resulting adverse final judgment (or settlement to which we consent) *to the applicable affiliate(s) to which such judgment applies*, subject to subsection 16(a) below. You *or the applicable enrolled affiliate* must notify us promptly in writing of the claim and, *to the extent permitted by applicable law of the Commonwealth of Virginia*, give us sole control over its defense or settlement. You *and your enrolled affiliates* agree to provide us with reasonable assistance in defending the claim, and we will reimburse you *and or the applicable enrolled affiliates* for reasonable out of pocket expenses that you *and they* incur in providing that assistance.

Our obligations will not apply to the extent that the claim or adverse final judgment is based on (i) your *or an affiliate's* running of the product after we notify you to discontinue running (*and notify your affiliates to stop running*) due to such a claim; (ii) your (or your affiliate(s)') combining the product with a non-Microsoft product, data or business process; (iii) use of, or access to, the product by any person or entity other than an employee of you or one of your affiliates; or (iv) your (*or your affiliates*') altering the product. *The applicable enrolled affiliate(s)* will be responsible for any costs or damages that result from these actions.

If we receive information concerning an infringement claim related to a product, we may, at our expense and without obligation to do so, either (i) procure for you *and your enrolled affiliates* the right to continue to run the allegedly infringing product, or (ii) modify the product or replace it with a functional equivalent, to make it non-infringing, in which case you *and your enrolled affiliates* will stop running the allegedly infringing product immediately. If, as a result of an infringement claim, your use (*or an enrolled affiliate's use*) of a product is enjoined by a court of competent jurisdiction, we will use commercially reasonable efforts to either procure the right to continue its use, replace it with a functional equivalent, or modify it to make it non-infringing.

If any other type of third party claim is brought against you *or an affiliate* regarding our intellectual property, you *or such affiliate* must notify us promptly in writing. *Subject to the terms of section 18(s)*, We may, at our option, choose to treat these claims as being covered by this section.

16. Limitation of liability.

- a. Limitation.** There may be situations in which you or *one or more* affiliates have a right to claim damages or payment from us. Except as otherwise specifically provided in this subsection, whatever the legal basis for the claims, our liability will be limited, to the maximum extent permitted by applicable law, to direct damages up to *100% of the amount you or such affiliate(s) have paid for the product giving rise to the claims*. In the case of our responsibilities with respect to third-party patent or copyright infringement claims, our obligation to defend such claims will not be subject to the preceding limitation, but our liability to pay damages awarded in any final adjudication (or settlement to which we consent) will be. In the case of free product or code you or an enrolled affiliate are authorized to redistribute to third parties without separate payment to Microsoft, our total liability to you or the enrolled affiliate will not exceed US\$5000.

- b. No liability for certain damages.** To the maximum extent permitted by applicable law, neither party nor any of its affiliates or suppliers will be liable *to the other party* for any indirect damages (including, without limitation, consequential, special or incidental damages, damages for loss of profits or revenues, business interruption, or loss of business information) arising in connection with any agreement, product or service, even if advised of the possibility of such damages or if such possibility was reasonably foreseeable. This exclusion of liability does not apply to either party's liability to the other for violation of the other party's intellectual property rights.
- c. Application.** The limitations on and exclusions of liability for damages in this agreement apply regardless of whether the liability is based on breach of contract, tort (including negligence), strict liability, breach of warranties, or any other legal theory.

17. Verifying Compliance.

Each enrolled affiliate must keep records relating to the products *it* and any affiliate(s) *to which it sublicenses or transfers licenses* run. We have the right to verify compliance, at our expense, during the term of this agreement and for a period of one year thereafter. To do so, we will engage an independent accountant from a nationally recognized public accounting firm, which will be subject to a confidentiality obligation. Verification will take place upon not fewer than 15 days notice, during normal business hours and in a manner that does not interfere unreasonably with your operations. As an alternative, we may require an enrolled affiliate to accurately complete our self-audit questionnaire relating to the products *it* and any affiliates use. If verification or self-audit reveals unlicensed use of products, *the applicable enrolled affiliate* must promptly order sufficient licenses to permit all product usage disclosed. If material unlicensed use is found (license shortage of 5% or more), *the applicable enrolled affiliate* must reimburse us for the costs we have incurred in verification and acquire the necessary additional licenses *at the then-current non-discounted reference price for such licenses* within 30 days. If we undertake such verification and do not find material unlicensed use of products, we will not undertake another verification of the same entity for at least one year. We and our auditors will use the information obtained in compliance verification only to enforce our rights and to determine whether you *or your affiliates* are in compliance with the terms of this agreement. By invoking the rights and procedures described above, we do not waive our rights to enforce this agreement or to protect our intellectual property by any other means permitted by law.

18. Miscellaneous.

- a. Notices.** All notices, authorizations, and requests given or made in connection with this agreement must be sent by post (*prepaid certified mail*), or express courier, *but not by facsimile* or email to the addresses and numbers indicated in the applicable cover page to this agreement. Notices will be deemed delivered on the date shown on the postal return receipt or on the courier confirmation of delivery.
- b. Assignment.** This agreement may be assigned by either party only to an affiliate, but assignment will not relieve the assigning party of its obligations under the assigned agreement. If either party assigns this agreement or any enrollment, it must notify the other party of the assignment in writing.
- c. Severability.** If a court holds any provision of this agreement to be illegal, invalid or unenforceable, the remaining provisions will remain in full force and effect and the parties will amend this agreement to give effect to the stricken clause to the maximum extent possible.
- d. Waiver.** No waiver of any breach of this agreement shall be a waiver of any other breach, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving party.
- e. Force Majeure.** To the extent that either party's performance is prevented or delayed, either totally or in part, for reasons beyond that party's control, then that party will not be liable, so long

as it resumes performance as soon as practicable after the reason preventing or delaying performance no longer exists.

- f. Note on Java Support.** The products may contain support for programs written in Java. Java technology is not fault tolerant and is not designed, manufactured, or intended for use or resale as online control equipment in hazardous environments requiring fail-safe performance, such as in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, direct life support machines, or weapons systems, in which the failure of Java technology could lead directly to death, personal injury, or severe physical or environmental damage. *Sun Microsystems, Inc. has contractually obligated Microsoft to make this disclaimer.*
- g. Limitations on actions.** Except for any different period required by applicable law, any action arising under this agreement must be brought within two years from the date that the cause of action arose.
- h. Entire agreement.** The documents identified on the cover page to this agreement constitute the entire agreement concerning the subject matter and supersede any prior or contemporaneous communications. The terms of these documents control in the following order: (i) these terms and conditions (*including any amendments hereto in reverse order of execution*), and the accompanying cover page (except under circumstances where an outsourcer enrollment is used, in which case the terms of the outsourcer enrollment control over these terms and conditions); (ii) the Product List; (iii) the product use rights; and (iv) all other enrollments under this agreement. The terms of any purchase order or any general terms and conditions you or your affiliates maintain, other than those mandatory terms required by statute or regulation, do not apply. This agreement (except the product use rights and the Product List) can be changed only by an amendment signed by *an authorized representative of both parties.*
- i. Survival.** Provisions regarding product use rights, restrictions on use, evidence of perpetual licenses, transfer of licenses, warranties, limitations of liability, compliance verification and obligations on termination or expiration will survive termination or expiration of this agreement or any enrollment.
- j. Independent contractors.** Resellers are independent contractors who act in their own name and for their own account; they have no authority to bind or impose any obligation or liability upon us.
- k. Applicable law; Dispute resolution.** *This agreement and all enrollments related hereto shall be interpreted in accordance with and governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. MSLI, GP shall comply with all applicable federal, state, and local laws.*
- l. Copyright Violation.** Except to the extent *an enrolled affiliate* is licensed under this agreement, such enrolled affiliate will be responsible for its violation of our copyright in the products, including payment to its reseller of license fees specified in this agreement for unlicensed use.
- m. Non-appropriation.** *All payment obligations under this contract are subject to both (i) the availability of legislative appropriation for this purpose, and (ii) such funds being made legally available for payment. In the event of non-appropriation of funds by the Legislature, or of such funds not being made legally available for the purchase of items under this contract, then the Commonwealth may cancel its purchase order for the remaining payments for those goods (software) for which funds have not been appropriated or made legally available for payment, subject to the terms and conditions of Sections 6 and 11(d). You or the enrolled affiliate, as applicable, agree to provide written notice to us as soon as possible after legislative action is completed.*

If any purchases are to be supported by federal funding, and such funding is not made available, then the Commonwealth may cancel its purchase order for the remaining payments for those goods (software) goods dependent on such federal funds without further obligation, subject to the terms and conditions of Section 6.

- n. **Contractual records.** We shall make all contractual books and records and other documents relating to matters under this Enterprise Agreement available to the Commonwealth and its designated agents for purposes of audit and examination for a period of five years after final payment.

Contractual records include, but are not limited to, this Agreement, attachments hereto, and modifications hereto.

- o. **Non-Visual Access to Technology.** All information technology which, pursuant to this agreement, is purchased or upgraded by or for the use of any state agency or institution or political subdivision of the Commonwealth (the "Technology") shall comply with the following non-visual access standards from the date of purchase or upgrade until the expiration of this agreement:

- (i) Effective, interactive control and use of the Technology shall be readily achievable by non-visual means;
- (ii) The Technology equipped for non-visual access shall be compatible with information technology used by other individuals with whom any blind or visually impaired user for the Technology interacts.
- (iii) Non-visual access technology shall be integrated into any networks used to share communications among employees, program participants or the public: and
- (iv) The technology for non-visual access shall have the capability of providing equivalent access by non-visual means to telecommunications or the other interconnected network services used by persons who are not blind or visually impaired.

Compliance with the foregoing non-visual access standards shall not be required if the head of the using agency, institution or political subdivision determines that (i) the Technology is not available with non-visual access because the essential elements of the Technology are visual and (ii) non-visual equivalent is not available.

Installation of hardware, software, or peripheral devices used for non-visual access is not required when the Technology is being used exclusively by individuals who are not blind or visually impaired, but applications programs and underlying operating systems (including the format of the data used for the manipulation and presentation of information shall permit the installation and effective use of non-visual access software and peripheral devices.

If requested in writing, we will provide a detailed explanation of how compliance with the foregoing non-visual access standards is achieved and a validation of concept demonstration.

The requirements of this paragraph shall be construed to achieve full compliance with The Information Technology Access Act 2.2-3500 through 2.2-3504 of the Code of Virginia.

- p. **Non-Visual Access Compliance.** We expressly acknowledge that state funds may not be expended in connection with the purchase of an automated information system unless that system meets certain statutory requirements relating to accessibility by persons with visual impairments including those outlined in section 18(o) above. Accordingly, we represent and warrant to the Commonwealth of Virginia that the technology provided to the Commonwealth for purchase is capable, either by virtue of features included within the technology or because it is readily adaptable by use with other technology, of: (1) providing equivalent access for effective use by both visual and non-visual means; (2) presenting information, including prompts used for interactive communications, in formats intended for non-visual use; and (3) being integrated into networks for obtaining, retrieving, and disseminating information used by individuals who are not blind or visually impaired. For purposes of this paragraph, the phrase "equivalent access" means a substantially similar ability to communicate with or make use of the technology, either directly by features incorporated within the technology or by other reasonable means such as assistive devices or services which would constitute reasonable accommodations under the Americans with Disabilities Act or similar state or federal laws. Examples of methods by which equivalent access may be provided include, but are not limited to, keyboard alternatives to mouse commands and other means of navigating graphical displays, and customizable display appearance.

The Commonwealth agrees to provide us with written notice of any claim of non-compliance of one or more products (products) with respect to this Section 18(p), and shall allow us 60 days from the date of such notification in which to cure such non-compliance. Provided that the we are unable to cure such non-compliance within set timeframe, the Commonwealth's sole remedy for our breach of this Section 18(p) shall be to receive from us a credit against future license fees equal to the depreciated value of the product Licenses obtained under this Select Agreement for non-compliant products. Upon receipt of such credit, you shall discontinue use of such products, and the licenses for individual copies of such products shall become null and void. This provision shall not be construed to cause the licenses for an entire product line, or all copies of a given product, to become void. Rather, it shall be narrowly construed to apply only to licenses for specific copies of products for which both i) we are unable to cure non-compliance; and ii) the user or users of such copy require compliance in order to perform one or more tasks. For purposes of this paragraph, the depreciated value of a license will be calculated based on straight-line amortization over a twenty-four (24) month period from the date the license confirmation for such license was, or should have been, ordered pursuant to Section 3 of this Select Agreement, "Ordering Licenses."

- q. **Conflicting terms.** If any provision appearing in this agreement purports to cause the Commonwealth to bestow a right or incur an obligation that is beyond the legal authority of the Department of Information Technology to bestow or incur on behalf of the Commonwealth, then that provision shall be deemed of no effect. The Department of Information Technology has been delegated, by the Virginia Department of General Services, the purchasing authority to enter into statewide contracts for the purchase of all Information Technology.*
- r. **Effective date.** This agreement is not legally binding until executed by both parties and shall become effective on the date of signature of the Commonwealth of Virginia, through the Department of Information Technology. Each enrollment executed hereunder shall not be legally binding until executed by each party thereto and shall become effective on the date of the signature of the applicable enrolling affiliate.*
- s. **Compliance with Code of Virginia.** We agree to comply with all provisions of the Code of Virginia to the extent applicable to this agreement.*
- t. **Reference prices for enterprise products and additional products.** Microsoft shall establish an estimated retail price for enterprise products and additional products ordered hereunder, at each of the price levels available hereunder, and shall make such list available to you upon your request. The reference prices are intended only as reference points for enrolling affiliates to use in negotiating actual prices with their resellers. The reference prices are subject to change from time to time, except as otherwise provided herein. Changes may be in the form of promotional estimated retail pricing which is made available for a specified period of time and, at the end of the period, returns to the established estimated retail price. In no event, however, will any change be effective on less than thirty (30) days prior written notice to the applicable reseller. The reference prices will not include taxes.*
- u. **Installment payments.** Entering into an enrollment hereunder establishes a payment obligation for enterprise products and additional products ordered pursuant to the initial purchase order, such that the ordering affiliate is obligated to make all installments for such products according to the applicable installment payment schedule, subject to the appropriation of funds for such installments. In the event that funds for an installment payment are not appropriated, the ordering affiliate agrees to notify us immediately, and the terms and conditions of Section 6 shall apply.*
- v. **Special reference prices during open enrollment period.***
 - a. **Determination of Post-Deadline Volume Level.***

The Pre-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Pre-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph. And the Pre-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Pre-Deadline Volume Levels for each of the Product Families:

Pre-Deadline Volume Level	Aggregate Desktop Count
Pre-Deadline Volume Level A	Between 250 and 2,399 qualified desktops
Pre-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops
Pre-Deadline Volume Level C	Between 6,000 and 14,999 qualified desktops
Pre-Deadline Volume Level D	Between 15,000 and 49,999 qualified desktops
Custom Level	50,000 or more qualified desktops

The Post-Deadline Volume Level for the Office Family shall be determined based upon the Aggregate Office Desktop Count, according to the table in the following paragraph. The Post-Deadline Volume Level for the Windows Family shall be determined by the Aggregate Windows Desktop Count, according to the table in the following paragraph. And the Post-Deadline Volume Level for the CAL Family shall be determined by the Aggregate CAL Desktop Count, according to the table in the following paragraph.

The following table shall be used to determine the Post-Deadline Volume Levels for each of the Product Families:

Post-Deadline Volume Level	Aggregate Desktop Count	Corresponding Enterprise Agreement Volume Level
Post-Deadline Volume Level A	Between 250 and 2,399 qualified desktops	A
Post-Deadline Volume Level B	Between 2,400 and 5,999 qualified desktops	B
Post-Deadline Volume Level C	Between 6,000 and 14,999 qualified desktops	C
Post-Deadline Volume Level D	15,000 or more qualified desktops	D

b. Determination of reference prices.

For Non-Platform Enrollments signed During the Open Enrollment Period, the following shall apply:

- the Year 1 per-desktop reference price for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined according to the Table at Part 1 of Attachment A;*
- the Year 2 and Year 3 per-desktop reference prices, respectively, for each enterprise product covered by each such Non-Platform Enrollment, for each Initial Desktop, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A;*
- The per-desktop true up reference price for each enterprise product covered by each such Non-Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second*

and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A.

For Platform Enrollments signed during the Open Enrollment Period, the following shall apply:

- *the Year 1 per-desktop reference price for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop irrespective of the number of qualified desktops under such Enrollment, shall be determined according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%). Such 15% discount shall be applied to the sum of the reference prices of the individual enterprise product components.*

For example, if the sum of the annual per-desktop reference prices for the enterprise products covered by a Platform Enrollment, as shown on Attachment A, is \$307.00, then the discount applied shall be

$$\{ \$307.00 \times 15\% = \} \$46.05,$$

and the resulting annual per-desktop reference price for such enterprise products, in aggregate, shall be:

$$\{ \$307.00 - \$46.05 = \} \$260.95.;$$

- *the Year 2 and Year 3 per-desktop reference prices, respectively, for each enterprise product covered by each such Platform Enrollment, for each Initial Desktop shall be determined based upon the Pre-Deadline Volume Level achieved by Participating Affiliates, pursuant to the terms and conditions of this Section 18(v), for the Product Family in which each such enterprise product is contained, according to the Table at Part 1 of Attachment A, less a discount of fifteen percent (15%);*
- *The per-desktop true up reference price for each enterprise product covered by each such Platform Enrollment, for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined based upon the Pre-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the Tables at Parts 2, 3, and 4, respectively, of Attachment A, less a discount of fifteen percent (15%).*

For Enterprise Enrollments signed after the Open Enrollment Deadline and through the last day of the 36th month following the effective date, the following shall apply:

- *the Year 1, Year 2, and Year 3 per-desktop reference prices, respectively, for each enterprise product on each Initial Desktop shall be determined pursuant to the terms and conditions of Section 18(x) based upon the Post-Deadline Volume Level achieved by Participating Affiliates, pursuant to the terms and conditions of this Section 18(v), for the Product Family in which each such enterprise product is contained, according to the then-current published Microsoft reference prices for each such enterprise product which correspond to the applicable Post-Deadline Volume Level;*
- *The per-desktop true up reference price for each enterprise product for each qualified desktop added to the Enrollment during the first, second and third years, respectively, of the term of such Enrollment, shall be determined pursuant to the terms and conditions of Section 18(x) based upon the Post-Deadline Volume Level for the Product Family in which each such enterprise product is contained, according to the then-current published Microsoft reference prices for each such enterprise product which correspond to the applicable Post-Deadline Volume Level.*

c. additional terms and conditions.

The parties acknowledge and agree that (i) the BackOffice CAL will not be offered in any Enterprise Enrollment after June 30, 2002; and (ii) notwithstanding the date upon which this Enterprise Agreement expires or is otherwise terminated, the method listed above in this Section 18(v) by which reference prices shall be determined shall cease to apply beginning on the 37th full calendar month following the effective date.

The following sentence shall apply both during the Open Enrollment Period and thereafter until the last day of the 36th full calendar month following the effective date. In the event that, in the absence of this Section 18(v), an enrolled affiliate would otherwise qualify for a lower reference price, for one or more of its chosen enterprise products, than the corresponding reference price(s) for such enterprise product(s) as determined pursuant to the terms and conditions hereof, the lower of the two reference prices for each such enterprise product shall apply.

You acknowledge, on behalf of your enrolled affiliates, that the reference price (and therefore, presumably, the price the reseller, as such term "reseller" is defined in section 1 and remains effective herein, charges each such enrolled affiliate) for both (i) the second and third annual payments, and (ii) true up payments at each anniversary, may increase pursuant to the terms of this Section 18(v). Such price increase for the payments stated above will result, with respect to an enrolled affiliate's Enterprise Enrollment, in the event that at least 15,000 qualified desktops, in aggregate, are not enrolled in Enterprise Enrollments covering each of the Product Families (or the Product Family) covered by that enrolled affiliate's Enterprise Enrollment, during the Open Enrollment Period. It is recommended that affiliates not enter into Enterprise Enrollments hereunder unless (a) they are aware of such possibility that their price may increase as stated above; and (b) they anticipate that sufficient budget will be approved to cover such increased payment amount.

You acknowledge and agree that there may be certain instances in which certain Enterprise Enrollments executed by your affiliates, whether under this Enterprise Agreement or otherwise under a separate Enterprise Agreement or Enterprise Subscription agreement, may have unit reference prices other than those shown on Attachment A or otherwise priced pursuant to the terms of this Section 18(v). Such instances include, but are not limited to those Enterprise Enrollments: (i) that were executed prior to the Open Enrollment Period; (ii) that contain other enterprise products not shown on attachment A; (iii) for which we negotiate a special payment schedule or ramped installment payments upon the condition that the reference price of such Enrollment be uplifted to account for the time value of money; (iv) which renew previously expired Enterprise Enrollments and therefore qualify for renewal pricing; and (v) for which a special price is negotiated to match the equivalent Microsoft Select estimated retail price for sufficient licenses, Upgrade Advantage and/or Software Assurance to otherwise provide the equivalent license and upgrade rights provided pursuant to an Enterprise Enrollment.

Reference prices are provided only for the purpose of comparison. Actual pricing and payment terms will be determined by agreement between each enrolled affiliate and its chosen reseller. We will provide each reseller with a list of reseller prices which corresponds to the reference prices in Attachment A.

You agree to assist us in making eligible affiliates aware of the general terms, conditions, and benefits of entering into an Enterprise Enrollment, by:

- (i) posting such information a website accessible to each such affiliate;
- (ii) broadcasting an email announcement of such terms, conditions and benefits to all Information Technology Directors or similar officers within prospective Participating Affiliates; and
- (iii) participating, upon our request and as your schedule reasonably permits, in conference calls with such prospective Participating Affiliates, to discuss such terms, conditions, and benefits.

w. **Volume discount levels for additional products.** During the term of each enrollment executed hereunder, and provided that you are party to a Microsoft Select Agreement during such term, the volume discount level for each additional product ordered pursuant to such enrollment shall be the volume discount level that corresponds to the applicable volume discount level for the product pool in which such product is available pursuant to such Microsoft Select Agreement. For example, if Microsoft Project, which is a member of the Applications pool, is ordered as an additional product, and if, as of the date of such order, the Select volume discount level for the Applications pool is "Level D," then the additional product reference price for such copy of Microsoft Project shall be determined according to the then-current Level D additional product price list.

x. **Determination of enterprise product reference prices after Open Enrollment Period.** For the purposes of this Section 18(x), the following additional definition shall apply:

"Enterprise Equivalent Select Level" means, with respect to a Microsoft Select product pool in which the products included in a Product Family are included, the Microsoft Select volume discount level that corresponds to the Post-Deadline Volume Level for such Product Family. For example, if the Post-Deadline Volume Level for the CAL Family is "Level C," then the Enterprise Equivalent Select Level for the Systems product pool shall be "Level C."; and

"Enterprise Equivalent Select ERP" means, with respect to an enterprise product, the Microsoft Select Estimated Retail Price for such product, as listed on the Microsoft Select price list for the volume discount level corresponding to the Enterprise Equivalent Select Level for the product pool in which such enterprise product is included. For example, if the Enterprise Equivalent Select Level for the Servers product pool is determined to be Level C, then the Enterprise Equivalent Select ERP for any enterprise product in the CAL Family shall be the Microsoft Select Level C Estimated Retail Price for such product.

For new Enterprise Enrollments signed after the Open Enrollment Deadline and through the last day of the 36th month following the effective date, but not for enrollments signed after the 36th month following the effective date, the reference prices for enterprise products shall be determined as follows:

a. **For enterprise products in the CAL, Office, and Windows Product Families.**

- i. For non-renewal enrollments, the annual per-desktop reference price for an enterprise product in the applicable Product Family shall be the then-current Enterprise Equivalent Select ERP for license plus three years of Software Assurance for such product, less a discount of fifteen percent (15%), less another discount of fifteen percent (15%) if such enrollment is a Platform Enrollment, divided by three (3), then rounded to the next highest Dollar. Such annual per-desktop reference price will be charged for each of the three years of the agreement, at the beginning of each such year.
- ii. For renewal enrollments, the annual per-desktop reference price for an enterprise product in the applicable Product Family shall be the then-current Enterprise Equivalent Select ERP for three years of Software Assurance for such product, less a discount of five percent (5%), less another discount of five percent (5%) if such enrollment is a Platform Enrollment, divided by three (3), then rounded to the next highest Dollar. Such annual reference per-desktop reference price will be charged for each of the three years of the agreement, at the beginning of each such year.

- iii. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 1 for an enterprise product in the applicable Product Family shall be the then-current Enterprise Equivalent Select ERP for license plus two and one-half (2 ½) years of Software Assurance for such product, less a discount of fifteen percent (15%), less another discount of fifteen percent (15%) if such enrollment is a Platform Enrollment, divided by three (3), then rounded to the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.*
 - iv. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 2 for an enterprise product in the applicable Product Family shall be the then-current Enterprise Equivalent Select ERP for license plus one and one-half (1 ½) years of Software Assurance for such product, less a discount of fifteen percent (15%), less another discount of fifteen percent (15%) if such enrollment is a Platform Enrollment, divided by three (3), then rounded to the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.*
 - v. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 3 for an enterprise product in the applicable Product Family shall be the then-current Enterprise Equivalent Select ERP for license plus one-half (½) year of Software Assurance for such product, less a discount of fifteen percent (15%), less another discount of fifteen percent (15%) if such enrollment is a Platform Enrollment, divided by three (3), then rounded to the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.*
- b. For enterprise products not in the CAL, Office, and Windows Product Families.**
- i. *For non-renewal enrollments, the annual per-desktop reference price for such enterprise product shall be the then-current Enterprise Equivalent Select ERP for license plus three years of Software Assurance for such product, less a discount of fifteen percent (15%), divided by three (3), then rounded to the next highest Dollar. Such annual per-desktop reference price will be charged for each of the three years of the agreement, at the beginning of each such year.*
 - ii. *For renewal enrollments, the annual per-desktop reference price for such enterprise product shall be the then-current Enterprise Equivalent Select ERP for three years of Software Assurance for such product, less a discount of five percent (5%), divided by three (3), then rounded to the next highest Dollar. Such annual reference per-desktop reference price will be charged for each of the three years of the agreement, at the beginning of each such year.*
 - iii. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 1 for such enterprise product shall be the then-current Enterprise Equivalent Select ERP for license plus two and one-half (2 ½) years of Software Assurance for such product, less a discount of fifteen percent (15%), divided by three (3), then rounded to the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.*
 - iv. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 2 for such enterprise product shall be the then-current Enterprise Equivalent Select ERP for license plus one and one-half (1 ½) years of Software Assurance for such product, less a discount of fifteen percent (15%), divided by three (3), then rounded to the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.*
 - v. *For all enrollments, the per-additional-desktop true-up reference price for desktops added in year 3 for such enterprise product shall be the then-current Enterprise Equivalent Select ERP for license plus one-half (½) year of Software Assurance for such product, less a discount of fifteen percent (15%), divided by three (3), then rounded to*

the next highest Dollar. Such per-additional-desktop true up reference price will be charged once, at the time of order.

For new Enterprise Enrollments after the 36th month following the effective date, the reference prices shall be determined either pursuant to Microsoft's then-current pricing rules for enterprise enrollments based on their individual desktop counts, or pursuant to whatever other agreement the parties may reach at such time regarding such reference prices.

For the purposes of determining the "License" reference price for operating system products in the Windows Product Family, the reference price for the Windows Upgrade will be used.

ATTACHMENT A

Commonwealth of Virginia - Local Government - Enterprise Agreement Pricing During Open Enrollment Period
Attachment A to Amendment One to Microsoft Enterprise Agreement

Part 1: Annual Payments for Initial Desktops

Annual Per-Desktop Reference Price, US Dollars					
Year 1	Payments in Years 2 and 3				
Any Quantity (Level D)	50,000 or more (Custom Level)	15,000-49,999 (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
Office Family					
Office Professional	189.00	175.00	189.00	212.00	240.00
Office Standard	157.00	146.00	157.00	176.00	199.00
Windows Family					
Windows Desktop Operating System Upgrades	61.00	57.00	61.00	68.00	77.00
Client Access License Suites					
BackOffice CAL (only for EAs signed prior to June 30 2002)	104.00	96.00	104.00	117.00	133.00
Core CAL	76.00	70.00	76.00	87.00	98.00

Part 2: Single True Up Payments for Desktops Added Year 1

Per-Desktop Reference Price, US Dollars					
	50,000 or more (Custom Level)	15,000-49,999 (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
Office Family					
Office Professional	484.00	523.00	586.00	663.00	731.00
Office Standard	402.00	435.00	487.00	551.00	607.00
Windows Family					
Windows Desktop Operating System Upgrades	127.00	137.00	153.00	174.00	195.00
Client Access License Suites					
BackOffice CAL (only for EAs signed prior to June 30 2002)	267.00	288.00	326.00	369.00	409.00
Core CAL	194.00	210.00	241.00	273.00	304.00

Part 3: Single True Up Payments for Desktops Added Year 2

Annual Per-Desktop Reference Price, US Dollars					
	50,000 or more (Custom Level)	15,000-49,999 (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
Office Family					
Office Professional	403.00	435.00	488.00	551.00	608.00
Office Standard	335.00	362.00	405.00	458.00	505.00
Windows Family					
Windows Desktop Operating System Upgrades	94.00	102.00	112.00	128.00	144.00
Client Access License Suites					
BackOffice CAL (only for EAs signed prior to June 30 2002)	226.00	244.00	276.00	312.00	346.00
Core CAL	165.00	178.00	204.00	231.00	257.00

Part 4: Single True Up Payments for Desktops Added Year 3

Annual Per-Desktop Reference Price, US Dollars					
	50,000 or more (Custom Level)	15,000-49,999 (Level D)	6,000-14,999 (Level C)	2,400-5,999 (Level B)	250-2,399 (Level A)
Office Family					
Office Professional	321.00	347.00	389.00	440.00	485.00
Office Standard	267.00	289.00	323.00	366.00	403.00
Windows Family					
Windows Desktop Operating System Upgrades	61.00	66.00	72.00	82.00	94.00
Client Access License Suites					
BackOffice CAL (only for EAs signed prior to June 30 2002)	184.00	198.00	226.00	256.00	284.00
Core CAL	134.00	145.00	168.00	189.00	211.00